



Investing in Water Infrastructure & Security

Recommendations

- 1) First, fully fund the Drinking Water State Revolving Loan Fund (\$1 billion) and the Clean Water State Revolving Loan Fund (\$1.35 billion) for FY2006.
- 2) Second, pass infrastructure legislation that expands and reforms the existing Drinking Water State Revolving Fund (DWSRF) to provide at least \$15 billion over the next five years.
 - A. Make security-related projects and repair and replacement of aging infrastructure explicitly eligible for DWSRF funding.
 - B. Simplify and streamline DWSRF application procedures.
 - C. Encourage utilities to adopt asset management programs and to evaluate their rates with the goal of being self-sufficient over the long run through rates and other local charges.
 - D. Oppose new mandates on water and wastewater systems; they raise project costs and negate the advantages of federal assistance.

Background

AWWA believes that the public is best served by utilities that are self-sustaining through their rates, and that federal assistance should be a helping hand for special cases but not a routine part of utility economics. However, some utilities are significantly challenged by expensive federal mandates such as Combined Sewer Overflow controls; by population declines and resulting stranded assets; by the costs of meeting new standards or security enhancements; or by economic hardship in the community. To help these communities, AWWA supports a significant increase in federal assistance for water and wastewater utilities through a mechanism such as the State Revolving Funds (SRFs). AWWA recommends funding both drinking water and clean water SRFs at least at fully authorized levels until legislation is passed to create new, streamlined, and expanded revolving funds.

AWWA recognizes that even as more federal assistance may be available in the years ahead, most of the investment in America's water and wastewater utilities will need to be made locally. To help local investment in water infrastructure, AWWA is giving utility managers new tools:

- Last summer we sent all AWWA utility members a copy of our new report "Avoiding rate Shock: Making the Case for Water Rates."

- We recently sent AWWA utility members a new report entitled “Thinking Outside the Bill” about ways to assist low-income customers when water bills must rise.
- We are developing a new report describing ways to convey to local elected officials and customers the importance of starting now on asset management and infrastructure reinvestment.

AWWA supports a long term, sustainable federal commitment to support infrastructure investments through a mechanism such as the State Revolving Fund. Because the federal budget deficit has become such a serious political issue in Washington, significant increases in federal assistance may be possible only if new, dedicated taxes can be developed. **AWWA is unalterably opposed to a federal water tax in any form.** Any new taxes that may be developed must really be spent on infrastructure, not diverted to other programs, or used to reduce the federal deficit.

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AWWA is the authoritative resource for knowledge, information, and advocacy to improve the quality and supply of water in North America and beyond. AWWA is the largest organization of water professionals in the world. AWWA advances public health, safety and welfare by uniting the efforts of the full spectrum of the entire water community. Through our collective strength we become better stewards of water for the greatest good of the people and the environment.